



	<b>No. 05-07</b>
<b>Subject:</b> New Electronic Cash Remittance Process	<b>Date Issued:</b> 9/15/2005
<b>References:</b>	<b>Expires:</b> Until Advised

### **PURPOSE:**

This COM introduces a new electronic cash remittance process that will eliminate the need for departments to send an agency check with the cash Remittance Advice (RA) form. The electronic remittance process will be mandatory for all agencies beginning December 1, 2005.

### **BACKGROUND:**

Based on Section 8000 of the State Administrative Manual, agencies currently deposit cash receipts into their bank account and issue a General Cash check to remit their cash. The check is submitted to the State Treasurer's Office (STO) with a RA (SCO Form CA-21). The STO gives the SCO a copy of the RA, and then the SCO issues a Controller's Receipt document (prefix CR) to record the remittance. Agencies record both the RA and the CR documents in CALSTARS using TCs that reflect cash activity in GL 1110 General Cash, GL 1150 Cash in Transit, and GL 1140 Cash in State Treasury.

### **OVERVIEW OF THE NEW PROCESS:**

With the new electronic remittance process, agencies can electronically remit funds from their checking account to the STO using a new RA (SCO Form CA 21A). The new RA, which includes the agency's bank account number, replaces the agency check and is faxed to the SCO for processing. Upon receipt of the new RA, the SCO will issue a Controller's Receipt document with a prefix of "CRA". The "CRA" document displays the electronic remittance transaction and the electronic withdrawal of funds from the agency's bank account. A new General Ledger (GL) 1115, General Cash Remittance in Transit, will replace GL 1150, Cash In Transit, for the new electronic remittance process. The reduction of funds from the agency's bank account will be displayed on the Centralized Treasury Trust System Account Statement with the RA number listed as the check number.

### **REQUIRED ACTIONS:**

#### **Preparing the new RA Form (CA 21A):**

Complete the following steps:

- ⊕ Obtain the new RA, SCO Form CA 21A, from the SCO's website at: <http://www.sco.ca.gov>. The new form, Remittance to State Treasurer, (TC-47), is located under the category State/Local, sub-category State Government, sub-sub-category Accounting Forms and Instructions.

- ✪ Enter the agency checking account number in the Checking Account No. box, which is located in the upper right hand corner of the Form CA 21A to the left of the Remittance Advice No. box.
- ✪ Enter a unique 5-digit RA number to the right of the preprinted 'R' in the Remittance Advice No. box, which is located to the right of the Checking Account No. box. Each checking account must be assigned its own range of RA numbers. The 5-digit RA number must be numeric and cannot be duplicated within the same fiscal year. The numbering convention may be determined by the agency.
- ✪ Complete the remainder of the Form CA 21A with the same information that is normally used when remitting cash.
- ✪ The completed Form CA 21A must be faxed to the SCO's dedicated fax line at (916) 322-5490. Do not include any cover sheets. Forms received after 2:00 pm will be posted the next workday, unless arrangements are made with the SCO for special handling.

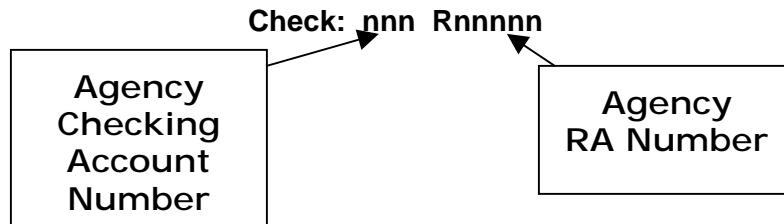
Refer to Exhibit I for an example of the new electronic RA.

**Posting The Electronic Remittance In CALSTARS:**

- ✪ GL 1115, General Cash Remittance in Transit, is a new general ledger used to record the electronic cash in transit to the SCO. Refer to Exhibit II for a display of the accounting events using GL 1115.
- ✪ New TCs have been established for GL 1115 to record both the electronic remittance and the Controller's Receipt document (CRA). The TCs are currently in Volume 5 of the CPM. The table below displays a listing of the TCs for the new (Form CA21A) and the current (Form CA21) remittance.

Remittance Description	New Process (Form CA 21A)	Current Process (Form CA 21)	
	Electronic Remittance  DR 1115 CR 1110	Manual Check Remittance DR 1150 CR 1110	Automated Check Remittance DR 1150 CR 1110
Remit GL 1110, General Cash	TC 124	TC 171	TC 173
Remit GL 3400, Advanced Collections	TC 105	TC 145	TC 188
Remit GL 3500, Liabilities For Deposit	TC 103	TC 110	TC 187
Remit GL 3730, Uncleared Collections	TC C05	TC C01	TC C02
Remit to SCO 44 Accounts	TC F09	TC F11	TC F13
Remit to SCO 44 Reverted Accounts	TC F10	TC F12	TC F14

- When using the new remittance TCs, the agency checking account number and the RA number from Form CA21A must be keyed in the Check field as follows:



The first three spaces in the Check field must be the agency checking account number, the next space (fourth) must be 'R', and the remaining five spaces is the unique 5-digit agency RA number.

If "R" is not keyed in the fourth space, error message EA8, "1<sup>st</sup> CHAR MUST BE "R" is displayed. The last 5 digits of the Check field must be numeric and must be unique for each remittance advice.

- The new remittance TCs are non-check transactions and can be included in the same batch as other non-check or non-claim schedule transactions.

#### **Posting The Cash Receipt Document (CRA) In CALSTARS:**

- SCO will generate a TC 47 Controller's Receipt document (CRA) to record the remittance and the withdrawal of cash from the agency's checking account. TC 47 and the CRA document will be displayed on the monthly Fund and Agency Reconciliation Reports.
- The table below displays a listing of the new TCs for the electronic receipt process (CRA) as well as the TCs currently used to record the Cash Receipt document (CR).

SCO Deposit Description	New Process (CRA Document)	Current Process (CR Document)
	Electronic Receipt Of Funds DR 1140 CR 1115	Current Receipt Of Funds DR 1140 CR 1150
Receipt of GL 1110, General Cash	TC 127	TC 172
Receipt of GL 3400, Advanced Collections	TC 137	TC 147
Receipt of GL 3500, Liabilities For Deposit	TC 126	TC 114
Receipt of GL 3730, Uncleared Collections	TC C06	TC C03
Receipt of SCO 44 Account Receipts	TC F25	TC F24
Receipt of SCO 44 to FTF Reverted Accounts	TC 127	TC 172

- ★ Enter CRA in the first three spaces of the Current Document field when recording the CRA document.

**MISCELLANEOUS INFORMATION:**

- ★ The RA number entered in lieu of the check number for electronic remittances will be displayed on all reports and screens that currently display check numbers.
- ★ SCO will electronically withdraw funds from an agency's checking account and display the amounts in the Check section on the Centralized Treasury Trust System Account Statement. The RA number will be preceded by a "00". Agencies will continue to reconcile their bank statements the same way.
- ★ Remittances for wire transfers will continue to use the current process, RA Form CA 21.

As stated previously in the CALSTARS news, the following has been changed:

- ★ The DB1, DB2, and HB4 reports will now include GL 1115, General Cash Remittance in Transit. The title "GL 1115" and the amounts for GL 1115 will be displayed separately on the HB4 report. On the DB1 and DB2 reports, the amounts for GL 1150 and GL 1115 will be added together. The title for the combined amounts will be "1150 Cash in Transit & GL 1115".
- ★ The sort order of the HO6 report, Cash Receipts and Disbursements Register, has been changed. The "Deposit or Check-Nbr" field is now sorted first by numeric values and secondly by alpha values. The HO6 displays disbursements for the new cash remittance process in the same order as displayed on the SCO's Centralized Treasury Trust System Account Statement.

If you have any questions, please call the Hotline at (916) 327-0100, CNET 467-0100 or your CALSTARS Analyst.

/s/Freda Luan-Dun

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Attachment



Exhibit II  
Cash Remittance Process

**Current Process:**

Accounting Event:	GL Impact	
	DR	CR
1. Cash Deposited	1110	8000, 8100, 9000
2. Issue check to Treasurer (remit money), (Form CA 21)	1150	1110
3. Controller's Receipt, "CR" Document	1140	1150

1110 General Cash			
(1)	100	100	(2)

1140 Cash in State Treasury			
(3)	100		

1150 Cash in Transit			
(2)	100	100	(3)

GLs 8000, 8100, 9000			
		100	(1)

**New Process:**

Accounting Event:	GL Impact	
	DR	CR
1. Cash Deposited	1110	8000, 8100, 9000
2. Electronic remittance to SCO, (Form CA 21A)	1115	1110
3. Controller's Receipt, "CRA" Document	1140	1115

1110 General Cash			
(1)	100	100	(2)

1140 Cash in State Treasury			
(3)	100		

1115 General Cash Remittance in Transit			
(2)	100	100	(3)

GLs 8000, 8100, 9000			
		100	(1)